

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-277

April 8, 1998

AUGUSTA WATER DISTRICT
Application for Approval
of Issue of Securities
(\$ 902) (\$357,340) Bond

ORDER

On April 3, 1998, the Augusta Water District (the District) filed with the Commission its application for authority to issue its bond in a sum not to exceed \$357,340 through the State Drinking Water Revolving Loan Fund, administered by the Maine Municipal Bond Bank, at a rate not to exceed 0 percent. The debt will be paid over a term not to exceed 30 years.

The District requires these funds to construct a water main extension on Route 202 in East Winthrop to service a low income mobile home park. The Staff of the State Drinking Water Revolving Loan Fund looked at the mobile home park residents' median family income and, based upon the low median family income of the mobile home park residents, found the project eligible for the 0 percent loan.

Under the disadvantaged community assistance provisions of the Revolving Loan Fund \$268,005 of the bond issue will be principal forgiveness, resulting in a principal payback of \$89,335.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for MMBB, RECD and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are

required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to § 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rates.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1966, in Docket No. 93-169, I

O R D E R

1. That the Augusta Water District is hereby authorized to issue its bond in a sum not to exceed \$357,340 to be used solely for the purposes described in this Order, and at a rate not to exceed 0 percent per year through the State Drinking Water Revolving Loan Fund, administered by the Maine Municipal Bond Bank.

2. That the District report to the Commission in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond or by October 30, 1998, whichever may come first.

3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 8th day of April, 1998.

BY ORDER OF THE DEPUTY DIRECTOR
OF FINANCE

Richard Kania
Deputy Director of Finance